Agenda Date: 7/29/09 Agenda Item: IIIH



STATE OF NEW JERSEY

Board of Public Utilities Two Gateway Center Newark, NJ 07102 www.nj.gov/bpu/

CABLE TELEVISION

IN THE MATTER OF THE PETITION OF TWFANCH-ONE, CO. D/B/A TIME WARNER CABLE FOR THE RENEWAL OF ITS CERTIFICATE OF APPROVAL TO OWN, OPERATE AND MAINTAIN A CABLE TELEVISION AND COMMUNICATIONS SYSTEM IN THE BOROUGH OF RIDGEFIELD, COUNTY OF BERGEN, STATE OF NEW JERSEY

INITIAL DECISION SETTLEMENT AND RENEWAL CERTIFICATE OF APPROVAL

) BPU DOCKET NO. CE02060370) OAL DOCKET NO. 11293-03

(SERVICE LIST ATTACHED)

BY THE BOARD:

On October 7, 1976, the Board of Public Utilities ("Board") granted Vision Cable Television ("Vision") a Certificate of Approval in Docket No. 768C-6204 for the construction, operation and maintenance of a cable television system in the Borough of Ridgefield ("Borough"). On June 29, 1987, the Board granted Vision a Renewal Certificate of Approval for the Borough in Docket No. CE86101162. The Board subsequently approved the transfer of the Certificate from Vision to Time Warner Entertainment – Advance/Newhouse Partnership ("TWEAN"). On September 14, 1998, the Board granted TWEAN an Automatic Renewal Certificate of Approval for the Borough in Docket No. CE97040218. The Board subsequently approved a transfer of the Certificate from TWEAN to TWFanch-One, Co. d/b/a Time Warner Cable ("Petitioner"). Although the Petitioner's above referenced Certificate expired on October 6, 2001, it is authorized to continue to provide cable television service to the Borough pursuant to N.J.S.A. 48:5A-25, pending disposition of proceedings regarding the renewal of its Certificate of Approval.

The Petitioner filed an application for the renewal of its municipal consent with the Borough on February 6, 2001, pursuant to N.J.S.A. 48:5A-23 and N.J.A.C. 14:18-13.1 et seq. The Borough, after public hearing, adopted a municipal ordinance granting renewal consent on October 9, 2001 for a term of five years.

On June 26, 2002, pursuant to N.J.S.A. 48:5A-17(d), the Petitioner filed directly with the Board seeking a Renewal Certificate of Approval, and alleged that the Township's actions in granting a term of five years were arbitrary and capricious. The Borough filed an answer to the petition on November 4, 2002. A pretransmittal settlement conference was held on January 22, 2003, in accordance with N.J.A.C. 14:17-8.1 et seg. but no settlement could be reached.

On November 14, 2003, the Board transmitted the case to the Office of Administrative Law ("OAL") for hearing as a contested case pursuant to N.J.S.A. 52:14B-1 et seq. and N.J.S.A. 52:14F-1 et seq. The Board received a notice of filing from the OAL dated November 21, 2003. The case was assigned to Administrative Law Judge ("ALJ") Michael Mehr. After several prehearing conferences, a prehearing order was issued on April 21, 2004, which contained the issues to be discussed and procedural schedule including dates for the plenary hearing. The case was transferred from ALJ Mehr to ALJ Walter Braswell on or about July 30, 2008. A telephone conference was held on August 1, 2008 and a status conference was conducted on December 22, 2008, at which time plenary hearings were scheduled. Prior to the hearings, the parties notified ALJ Braswell that they had reached a settlement which disposed of the matters in contention. On April 27, 2009, the Borough adopted an ordinance for a term of ten years. On May 22, 2009, the Petitioner formally accepted the ordinance.

While the matter was pending at the OAL, the Petitioner, the Borough and the Department of the Public Advocate, Division of Rate Counsel ("Parties") negotiated and entered into and signed a Stipulation of Settlement that was submitted to the ALJ (attached as Appendix "II"). Pursuant to the terms of the Stipulation of Settlement, the Parties agreed that the Borough revoked its previous Ordinance and in its place, adopted a new Ordinance granting to Petitioner the Borough's municipal consent to the continued construction, operation and maintenance of Petitioner's cable television system in the Borough for ten (10) years, measured from October 6, 2001.

By Initial Decision dated June 15, 2009, submitted to the Board on June 18, 2009, and as amended by letter dated July 20, 2009, ALJ Braswell found that the Stipulation of Settlement was voluntary and that it disposed of all issues in controversy. Accordingly, ALJ Braswell ordered that the parties comply with the terms of the Stipulation of Settlement and ordered that the proceedings be concluded.

After review of the Initial Decision and the Stipulation of Settlement, the Board <u>HEREBY FINDS</u> that, by the terms of the Stipulation of Settlement, the parties have resolved all outstanding contested issues in this matter. Therefore, the Board <u>HEREBY ADOPTS</u> the Initial Decision and Settlement. The terms of the Initial Decision and the application for renewal municipal consent are incorporated into this Renewal Certificate of Approval as if fully set forth herein.

The Board has reviewed the application for municipal consent, the petition for a Renewal Certificate of Approval and any amendments thereto, and the ordinance adopted on April 27, 2009. Based upon this review and the recommendation of the Office of Cable Television, the Board <u>HEREBY FINDS</u> the following:

- The Petitioner possesses the requisite legal, character, financial and technical qualifications for the awarding of a Renewal Certificate of Approval.
- The design and technical specifications of the system shall ensure that the Petitioner provides safe, adequate and proper service.
- The Petitioner has represented that all previously required construction within the franchise territory is complete.
- 4. The franchise period as stated in the ordinance is ten years and shall expire on October 6, 2011. The Board finds this period to be of reasonable duration. The Board notes that the Borough has adopted an ordinance which effectively puts them within the timeframe for review of the franchise (ascertainment) provided for at 47 <u>U.S.C.</u> §546 and <u>N.J.A.C.</u> 14:18-13.1.
- 5. The Petitioner's rates shall be regulated and tariffs shall be filed for all services in accordance with the rules and regulations of the Federal Communications Commission, the Board and the Office of Cable Television. The Petitioner shall maintain an informational schedule of prices, terms and conditions for unregulated service and promptly file any revisions thereto.
- Pursuant to statutory requirements, the ordinance specifies the Office of Cable
 Television as the complaint officer. All complaints shall be received and processed
 in accordance with the applicable rules.
- 7. The Petitioner shall maintain a local business office or agent for the purpose of receiving, investigating and resolving complaints. The current local office is located at 200 Roosevelt Place in the Borough of Palisades Park, New Jersey.
- 8. The franchise fee to be paid to the Borough is specified to be 2% of the Petitioner's gross revenues from all recurring charges in the nature of subscription fees paid by subscribers for its cable television reception service in the Borough, and shall be increased as required by N.J.S.A. 48:5A-30. Additional regulatory fees shall be paid to the State in an amount not to exceed 2% of Petitioner's gross operating revenues derived from intrastate operations. The Board finds these fees to be reasonable.
- 9. The Petitioner shall proffer service along any public right-of-way to any person's residence or business in the Borough at no cost beyond charges for standard and non-standard installation on file with the Office of Cable Television. For any future construction within the Borough, the Petitioner shall use the line extension policy attached to this Certificate as Appendix "I" with a homes per mile figure of 25.

- 10. The Petitioner shall provide public, educational and governmental ("PEG") access channels and facilities in accordance with its renewal application. Specifically, the Petitioner shall provide access time for non-commercial PEG access entities on a PEG access channel. Public access is administered by the Petitioner, and programming may be produced at the Petitioner's studio which is located in the Borough of Palisades Park. The Petitioner provides one PEG channel that is shared with other municipalities in the Petitioner's system.
- 11. The Petitioner shall continue to provide free basic monthly service to those schools, libraries and other municipal service properties as is done presently and will in the future, endeavor to reasonably expand on this free service, if and to the extent that, same is reasonable, feasible and is required by law.

Based upon these findings, the Board <u>HEREBY CONCLUDES</u>, pursuant to <u>N.J.S.A.</u> 48:5A-17(a) and 28(c), the Petitioner has the municipal consent necessary to support the petition, that such consent and issuance thereof are in conformity with the requirements of <u>N.J.S.A.</u> 48:5A-1 <u>et seq.</u>, that the Petitioner has complied or is ready, willing and able to comply with all applicable rules and regulations imposed by or pursuant to State or federal law as preconditions for engaging in the proposed cable television operations, that the Petitioner has sufficient financial and technical capacity, meets the legal, character and other qualifications necessary to construct, maintain and operate the necessary installations, lines and equipment, and is capable of providing the proposed service in a safe, adequate and proper manner.

Therefore, the Petitioner is <u>HEREBY ISSUED</u> this Renewal Certificate of Approval as evidence of Petitioner's authority to construct and operate a cable television system within the entirety of the Borough.

This Renewal Certificate is subject to all applicable State and federal laws, the rules and regulations of the Office of Cable Television, and any such lawful terms, conditions and limitations as currently exist or may hereafter be attached to the exercise of the privileges granted herein. The Petitioner shall adhere to the standards set forth by the Federal Communications Commission's rules and regulations, 47 <u>C.F.R.</u> §76.1 <u>et seq.</u>, including but not limited to, the technical standards of 47 <u>C.F.R.</u> §76.601 through §76.630. Any modifications to the provisions thereof shall be incorporated into this Certificate.

Failure to comply with all applicable laws, rules, regulations and orders of the Board or Office of Cable Television and/or the terms, conditions and limitations set forth herein may constitute sufficient grounds for the suspension or revocation of this Certificate.

This Renewal Certificate is issued on the representation that the statements contained in the Petitioner's applications are true, and the undertakings therein contained shall be adhered to and enforceable unless specific waiver is granted by the Office of Cable Television pursuant to the authority contained in N.J.S.A. 48:5A-1 et seq.

This Certificate shall expire on October 6, 2011.

DATED:

7/29/09

BOARD OF PUBLIC UTILITIES BY:

JEANNE M. FOX

FREDERICK F. BUTLER COMMISSIONER

NICHOLAS ASSELTA COMMISSIONER

ATTEST:

KRISTI IZZO SECRETARY JOSEPH L. FIORDALISO COMMISSIONER

ELIZABETH RANDAL COMMISSIONER

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public

Utilities

APPENDIX "I"

LINE EXTENSION POLICY

TWFANCH-ONE, CO. D/BA TIME WARNER CABLE BOROUGH OF RIDGEFIELD

Time Warner Cable (a/k/a "TWC") shall be required to absorb the cost of extensions to the system in the same proportion that the extension is to the remainder of the system, as detailed hereinbelow. Actual subscribers served by the extension are required to absorb the remainder of the cost, as also detailed hereinbelow.

If new subscribers are added (within two years) to the area served by an extension, the cost shall be adjusted (by recomputing step 5 below) and those who previously paid a portion of the cost of the extension shall receive an appropriate rebate (provided, however, that no such rebate shall exceed the subscriber's contribution).

The following will be utilized to determine the respective costs to be borne by TWC and potential subscribers in connection with a proposed extension of plant:

- A. If the average density of homes per mile ("HPM") (measured within 150 feet of the existing public right-of-way, if the area is to be served aerially, or 100 feet if the area is to be served underground) to be passed by the proposed extension is 25 or more, TWC will build the extension at its full cost.
- B. If the average density HPM is less than 25, the cost of the extension will be shared in accordance with the following formula:

1.	# of homes in extension mileage of extension	=	homes per mile (HPM) of extension
2.	HPM of extension Minimum HPM that company actually constructs in the system (i.e., 25)	=	ratio of the density of the extension to the minimum density which the company constructs in the system ("A")
3.	Total cost of building the extension times "A"	=	TWC's share of extension cost
4.	Total cost of building extension less TWC's share of extension cost	=	total amount to be recovered from subscribers
5.	Total amount to be recovered from subs Total subscribers in extens	= sion	each subscriber's share

SERVICE LIST

Dennis C. Linken, Esq. Stryker, Tams and Dill Two Penn Plaza East Newark, NJ 07105

Florence Nolan, Esq. Basile, Birchwale & Pellino PO Box 434 Ridgefield, NJ 07657

Martin Gobbo Borough Clerk Borough of Ridgefield 604 Broad Avenue Ridgefield, NJ 07657

Barbara Kelly VP and General Manager Time Warner Cable 200 Roosevelt Place Palisades Park, NJ 07650

Jose Rivera-Benitez, Esq.
Department of Public Advocate
Division of Rate Counsel
31 Clinton Street
Newark, NJ 07102

Jessica L. Campbell Deputy Attorney General Division of Law 124 Halsey Street Newark, NJ 07102

Celeste M. Fasone, Director Office of Cable Television Board of Public Utilities Two Gateway Center Newark, NJ 07102

Karen A. Marlowe Administrative Analyst I Office of Cable Television Board of Public Utilities Two Gateway Center Newark, NJ 07102



INITIAL DECISION

SETTLEMENT
OAL DKT. NO. CTV 11293-03
AGENCY DKT. NO. CE0206370

IN THE MATTER OF THE PETITION OF TWFANCH-ONE, CO. D/B/A TIME WARNER CABLE FOR A RENEWAL CERTIFICATE OF APPROVAL FOR THE BOROUGH OF RIDGEFIELD,

Dennis C. Linken, Esq., on behalf of petitioner (Stryker, Tams & Dill)

Florence Nolan, Esq., on behalf of respondent (Basile, Birchwale & Pellino)

Record Closed: June 15, 2009

Decided: June 15, 2009

BEFORE WALTER M. BRASWELL, ALJ:

This matter was transmitted to the Office of Administrative Law (OAL) on November 21, 2003, for resolution as a contested case pursuant to N.J.S.A. 16:41C-8.7(b) 3. On or about July 30, 2008 the matter was reassigned to the undersigned.

A telephone pre-hearing conference was scheduled and conducted August 1, 2008 and a status conference was conducted for December 22, 2008 at which time hearings were scheduled for June 4 and 11, 2009. Prior to the hearings the parties informed the undersigned that they have reached settlement. On June 15, 2009 a copy

OAL DKT. NO. CTV 11293-03

of the fully executed Settlement Agreement was received by the OAL indicating the terms of the agreement, which are incorporated herein by reference.

Having reviewed the contents of the attached Settlement Agreement, I FIND:

- The parties have voluntarily agreed to the settlement as evidenced by their signatures and/or the signatures of their representatives.
- The settlement fully disposes of all issues in controversy and is consistent with the law.

I approve the settlement and, therefore **ORDER** that the parties comply with the settlement terms and that these proceedings be concluded.

I hereby FILE my initial decision with the BOARD OF PUBLIC UTILITIES for consideration.

OAL DKT. NO. CTV 11293-03

This recommended decision may be adopted, modified or rejected by the BOARD OF PUBLIC UTILITIES, which by law is authorized to make a final decision in this matter. If the Board of Public Utilities does not adopt, modify or reject this decision within forty-five days and unless such time limit is otherwise extended, this recommended decision shall become a final decision in accordance with N.J.S.A. 52:14B-10.

	Welter M Branvell
June 15, 2009	
DATE	WALTER M. BRASWELL, ALJ
Date Received at Agency:	
Date Mailed to Parties:	

STATE OF NEW JERSEY BOARD OF PUBLIC UTILITIES OFFICE OF ADMINISTRATIVE LAW

2001 JUN 15 A D: 43

IN THE MATTER OF THE PETITION OF TWFANCH-ONE CO., D/B/A TIME WARNER CABLE, FOR A RENEWAL CERTIFICATE OF APPROVAL FOR THE BOROUGH OF RIDGEFIELD

OAL Docket No. CTV 11293-03 HIN LAW BPU Docket No. CE02060370

STIPULATION OF SETTLEMENT

APPEARANCES:

Stryker, Tams & Dill LLP by Dennis C. Linken, Esq., for TWFanch-One Co., d/b/a Time Warner Cable.

Basile, Birchwale & Pellino by Stephen F. Pellino, Esq., for the Borough of Ridgefield.

Stefanie A. Brand, Director, by Jose River-Benitez, Esq., on behalf of the Division of Rate Counsel.

WHEREAS, on August 16, 1976, the Borough of Ridgefield ("Borough") granted municipal consent to Vision Cable Television Company ("Vision Cable") for the construction, operation and maintenance of a cable television system in the Borough; and

WHEREAS, on October 7, 1977, in Docket No. 768C-6204, the New Jersey Board of Public Utilities ("BPU") issued to Vision Cable a Certificate of Approval for the construction, operation and maintenance of a cable television system in the Borough; and

WHEREAS, on June 29, 1987, in Docket No. CE86101162, the BPU issued to Vision Cable a Renewal Certificate of Approval for the continued construction, operation and maintenance of a cable television system in the Borough; and

WHEREAS, on March 13, 1995, in Docket No. CM94110531, the BPU authorized the transfer of the cable television system serving the Borough from Vision Cable to Time Warner Entertainment-Advance/Newhouse Partnership ("TWE-A/N"); and

WHEREAS, on September 14, 1998, in Docket No. CE97040218, the BPU issued to TWE-A/N an Automatic Renewal Certificate of Approval ("RCOA") for the continued construction, operation and maintenance of a cable television system in the Borough; and

WHEREAS, on January 31, 2001, in Docket No. CM00080556, the BPU authorized the transfer of the cable television system serving the Borough from TWE-A/N to TWFanch-One Co., d/b/a Time Warner Cable of New York and New Jersey ("Time Warner Cable"); and

WHEREAS, by its terms, the RCOA expired on October 6, 2001; and

WHEREAS, pursuant to N.J.S.A. 48:5A-25, Time Warner Cable is authorized to continue operations in the Borough, notwithstanding expiration of the RCOA; and

WHEREAS, on February 6, 2001, Time Warner Cable submitted an Application for Renewal of Municipal Consent to the Borough, seeking approval of the continued construction, operation and maintenance by Time Warner Cable of its cable system in the Borough; and

WHEREAS, on October 9, 2001, the Borough adopted Ordinance No. 1755, granting to Time Warner Cable the Borough's municipal consent to continue to construct, operate and maintain a cable television system in the Borough, but for a period of only five years; and

WHEREAS, on June 21, 2002, Time Warner Cable filed a petition before the BPU in Docket No. CE02060370 seeking issuance by the BPU of a Renewal Certificate of Approval to Time Warner Cable for the continued construction, operation and maintenance of a cable television system in the Borough on reasonable terms and conditions, including but not limited to a term of at least ten years; and

WHEREAS, on November 14, 2003, this matter was forwarded to the Office of Administrative Law for disposition as a contested case; and

WHEREAS, the matter was assigned to the Honorable Michael A. Mehr, Administrative Law Judge, for disposition; and

WHEREAS, on April 21, 2004, Judge Mehr issued a Prehearing Order with regard to this matter; and

WHEREAS, the matter was subsequently assigned to the Honorable Walter M. Braswell, Administrative Law Judge; and

WHEREAS, the parties have engaged in discussions with regard to settlement of the issues in this proceeding; and

WHEREAS, the parties have reached agreement on the disposition of all issues in this matter;

NOW, THEREFORE, the parties hereby STIPULATE and AGREE to the following:

- At its regularly scheduled Borough Council meeting of April 27, 2009, the Borough revoked Ordinance No. 1755.
- 2. In place thereof, the Borough adopted a new ordinance (Ordinance No. 2084) (annexed hereto as Exhibit A) (the "new ordinance") granting to Time Warner Cable the Borough's municipal consent to the continued construction, operation and maintenance of Time Warner Cable's cable television system in the Borough for a period of ten (10) years, effective upon and measured from expiration of the RCOA (i.e., October 6, 2001).

- Time Warner Cable will accept the terms and conditions of the new ordinance in accordance with the provisions of the New Jersey Cable Television Act, <u>N.J.S.A.</u> 48:5A-1 et seq.
- This Stipulation of Settlement resolves all issues raised by any parties, relating or pertaining in any way to Docket No. CE02060370.
- 5. This Stipulation of Settlement has been made exclusively for the purpose of these proceedings and the provisions contained herein, individually or in the aggregate, shall not be used against any of the parties hereto in any other proceedings before the BPU or in any other forums or jurisdictions, nor shall the contents of this Stipulation of Settlement, individually or in the aggregate, by inference, inclusion, or deletion, in any way be considered or used by any other party as an indication of the position of any party hereto on any issue litigated or to be litigated in other proceedings.
- 6. This Stipulation of Settlement contains terms, each of which is interdependent with the others and essential in its own right to this Stipulation of Settlement. Each term is vital to this agreement as a whole, since the parties expressly and jointly state that they would not have signed this Stipulation of Settlement had any term been modified in any way.
- 7. The parties believe these provisions are fair to all concerned. Consequently, the parties expressly agree to support the right of all other parties to this Stipulation of Settlement to enforce all terms and provisions set forth herein.

TWFANCH-ONE CO., d/b/a TIME WARNER CABLE OF NEW YORK AND NEW JERSEY

Dated: 5/20/09

Dennis C. Linken, Esq.
Stryker, Tams & Dill LLP

BOROUGH OF RIDGEFIELD

Dated: 6/4/09

Stephen F. Pellino, Esq.

Basile, Birchwale & Pellino

STEFANIE A. BRAND, ESQ. DIRECTOR DIVISION OF RATE COUNSEL DEPARTMENT OF THE PUBLIC ADVOCATE

Dated: 6-9-09

By: Jose Rivera-Benitez, Esq.
Deputy Public Advocate





State of New Jersey OFFICE OF ADMINISTRATIVE LAW

33 Washington Street Newark, New Jersey 07102 (973) 648-6008 (973-648-6058)

Robert J. Giordano, ALJ & Manager of Organizational Development COPY

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Date JUN 1 6 2009

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Re: Initial Decisions for Receipt

We are hereby forwarding to you the following decisions from the office of Administrative Law. Receipt is acknowledged as of the next business day of the date indicated below. Should a listed decision not be included in this batch, please call 973-648-6008.

OAL Docket No. CTV	Case Name
11293-03	TW FANCH- ONE, GO
	DIBLATIME WARNERS CABLE
	Cable
	Office of Cable Television
	Board of Public Utilities
	Two Gateway Center Newark, New Jersey 07102
Date:	
	Office of Cable Television